

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **VICE CHAIRMAN DEE BROWN**, on March 7, 2003 at 8 A.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Dee Brown, Vice Chairman (R)
Rep. Larry Jent, Vice Chairman (D)
Rep. Norman Ballantyne (D)
Rep. Arlene Becker (D)
Rep. Carol Gibson (D)
Rep. Daniel S. Hurwitz (R)
Rep. Hal Jacobson (D)
Rep. Larry Lehman (R)
Rep. Alan Olson (R)
Rep. Bernie Olson (R)
Rep. Don Roberts (R)
Rep. Clarice Schrumpf (R)
Rep. Frank Smith (D)
Rep. Pat Wagman (R)
Rep. Cindy Younkin (R)

Members Excused: Rep. Debby Barrett, Chairman (R)
Rep. Sue Dickenson (D)

Members Absent: Rep. Ralph Lenhart (D)
Rep. Jonathan Windy Boy (D)

Staff Present: Sheri Heffelfinger, Legislative Branch
Joan Reiman, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 54, SB 66, 2/25/2003
Executive Action: None

HEARING ON SB 54**Sponsor:** SEN. JOHN BOHLINGER, SD 7**Opening Statement by Sponsor:**

SEN. BOHLINGER stated that this bill sets the standard of conduct for the Commissioner of Political Practices and imposes integrity. Two changes to present law are made. It strikes the ability of the Governor to remove the Commissioner; instead, a board of governors would be composed of the Governor, Secretary of State and Attorney General (AG). The intent is so the Commissioner of Political Practices can be independent. A requirement is added that the Commissioner of Political Practices must be a US citizen, and Montana resident; they may not be a public official at appointment, nor can their immediate family. This eliminates conflict of interest. The bill also prohibits Commissioner of Political Practices' participation in any political activity or campaign, or from making a financial contribution, or from knowingly attending a fund raiser for such. SEN. BOHLINGER submitted a handout.

EXHIBIT (sth48a01)***{Tape: 1; Side: A; Approx. Time Counter: 0 - 8}*****Proponents' Testimony:** None**Opponents' Testimony:**

Tom Beck, Governor's Chief Policy Advisor, stated that this bill is not needed, and the amendments are especially objectionable. He said the Board of Examiners composed of the Governor, Secretary of State and Attorney General examine bonds, and this bill takes that board out of context.

{Tape: 1; Side: A; Approx. Time Counter: 8 - 11.4}**Informational Testimony:**

Jim Schier, Commissioner of Political Practices' Legal Counsel, was present to answer questions.

Dulcy Hubbert, Program Supervisor, Commissioner of Political Practices, stated many other states have similar legislation. She provided written testimony and a diagram of the Commissioner's office and its relationship to the Governor's office.

EXHIBIT (sth48a02)***{Tape: 1; Side: A; Approx. Time Counter: 11.4 - 13.3}***

Questions from Committee Members and Responses:

REP YOUNKIN asked about Mr. Beck's concern with family members. She asked the sponsor if any Commissioner of Political Practices have had a conflict. **SEN. BOHLINGER** said he does not know, but this prevents apparent or possible nepotism. **REP. YOUNKIN** asked if "immediate family" is defined in Code. He did not know. She asked if he would amend to remove "public employee" on Page 2, Line 27. He agreed. **REP. LEHMAN** asked if a governor removed the Commissioner, would that need the approval of the Senate. He did not think so. **Ms. Heffelfinger** said they may be removed by a governor for incompetence, malfeasance or dereliction, subject to review; the Code does not mention having the consent of the Senate. **REP. B. OLSON** asked why it should be changed. The sponsor answered that if a suspected fund raiser took place in the Governor's Office, the Commissioner would need independence to investigate. **REP. HURWITZ** asked why the Audit Commission wouldn't do this. **VICE CHAIRMAN BROWN** said she is on the legislative Interim Audit Committee, and they don't audit for ethics, only for performance and financial issues. **REP. YOUNKIN** asked when the Commissioner's term expires. **Ms. Hubbert** replied it expires on 12/31/04. **REP. SMITH** asked the sponsor why the Governor opposed this. He answered that she cannot fire the Commissioner without good cause now; it would be harder for three people to appoint a Commissioner, and it would get into politics. Also, the immediate family should not be ruled out. **REP. SMITH** asked if there had been a case where the Governor tried to remove the Commissioner. **SEN. BOHLINGER** replied that to his knowledge there had not been such a case.

{Tape: 1; Side: A; Approx. Time Counter: 13.3 - 30.2}

Closing by Sponsor:

The sponsor closed and left the Chair with a folder of his research on this bill.

HEARING ON SB 66

Sponsor: **SEN. JOHN BOHLINGER, SD 7**

Opening Statement by Sponsor:

SEN. BOHLINGER said this committee bill corrects a problem. Under law, one must have 10 years service credit (public service) before they can buy military time; with term limits, however, legislators cannot accumulate 10 years. The meat of the bill is Line 15. The Public Employees Retirement Board (PERB) wants an

amendment to allow employees with five years to buy into the system at actuarial cost. This includes sheriffs, game wardens and peace officers, MHP, municipal police departments and Firefighters United.

{Tape: 1; Side: A; Approx. Time Counter: 30.2 - 37}

Proponents' Testimony:

Melanie Symons, PERB, said they favor the bill because it reduces costs to employees without hurting the pension trust. There is no cost to the state or to employers. It standardizes and is cheaper because the purchase can be made sooner, so it lets more employees avail themselves of this benefit.

EXHIBIT (sth48a03)

{Tape: 1; Side: A; Approx. Time Counter: 37 - 39.2}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. JENT asked Ms. Symons for an example of paying the full value of service. She said it would be actuarial value based on present salary. **REP. GIBSON** asked why there were two identical bills; **REP. SMITH'S** house bill on this matter had passed. **Ms. Heffelfinger** said **REP. SMITH'S** bill was amended by committee to become the same as this bill. Legislators chose to keep both. Normally they would kill one of the two. The PERB chose to avoid a coordination problem by absorbing both bills into their housekeeping bill. **REP. GIBSON** asked about the paper color of bills. **Ms. Heffelfinger** said the third reading copies are blue. When there have been no changes and no floor amendments to the second reading (yellow copy), to save costs, the bill is not reprinted onto blue paper. **REP. WAGMAN** asked the sponsor to give an idea of the relative cost to buy service at five years versus ten years. **SEN. BOHLINGER** could not give those figures.

{Tape: 1; Side: A; Approx. Time Counter: 39.2 - 45.1}

Closing by Sponsor:

SEN. BOHLINGER said **REP. SMITH'S** bill had done most of the work.

ADJOURNMENT

Adjournment: 8:45 A.M.

REP. DEBBY BARRETT, Chairman

JOAN REIMAN, Secretary

DB/JR

EXHIBIT (sth48aad)